

CHAPTER 119

STATE AND LOCAL GOVERNMENT AND REGULATORY MATTERS — APPROPRIATIONS AND CORRECTIVE CODE PROVISIONS

S.F. 578

AN ACT relating to state finances, including by making, modifying, limiting, or reducing appropriations, distributions, or transfers, authorizing expenditure of certain unappropriated moneys, making corrections, and including effective date, applicability, and retroactive applicability provisions.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I

APPROPRIATIONS, DISTRIBUTIONS, TRANSFERS, AND EXPENDITURE AUTHORITY

Section 1. LIMITATIONS OF STANDING APPROPRIATIONS — FY 2023-2024. Notwithstanding the standing appropriation in the following designated section for the fiscal year beginning July 1, 2023, and ending June 30, 2024, the amount appropriated from the general fund of the state pursuant to that section for the following designated purpose shall not exceed the following amount:

For payment of claims for nonpublic school pupil transportation under [section 285.2](#):

..... \$ 8,997,091

If total approved claims for reimbursement for nonpublic school pupil transportation exceed the amount appropriated in accordance with this section, the department of education shall prorate the amount of each approved claim.

Sec. 2. INSTRUCTIONAL SUPPORT STATE AID — FY 2023-2024. In lieu of the appropriation provided in [section 257.20, subsection 2](#), the appropriation for the fiscal year beginning July 1, 2023, and ending June 30, 2024, for paying instructional support state aid under [section 257.20](#) for the fiscal year is zero.

Sec. 3. SPECIAL FUNDS — SALARY ADJUSTMENTS — UNAPPROPRIATED MONEYS — FY 2023-2024. For the fiscal year beginning July 1, 2023, and ending June 30, 2024, salary adjustments otherwise provided may be funded as determined by the department of management, subject to any applicable constitutional limitation, using unappropriated moneys remaining in the commerce revolving fund, the gaming enforcement revolving fund, the gaming regulatory revolving fund, the primary road fund, the road use tax fund, the fish and game protection fund, and the Iowa public employees' retirement fund, and in other departmental revolving, trust, or special funds for which the general assembly has not made an operating budget appropriation.

Sec. 4. DISTRIBUTIONS OF IOWA ECONOMIC EMERGENCY FUND EXCESS — FY 2022-2023.

1. Notwithstanding [section 8.55, subsection 2](#), paragraphs “a” and “b”, for the fiscal year beginning July 1, 2022, and ending June 30, 2023, moneys in excess of the maximum balance of the Iowa economic emergency fund created in [section 8.55](#) shall be distributed as follows:

a. An amount equal to the difference between the foundation property tax statewide under [section 257.3](#) for the fiscal year beginning July 1, 2023, calculated using taxable valuations for the assessment year beginning January 1, 2022, following application of assessment limitations calculated under [section 441.21, Code 2023](#), and the foundation property tax statewide under [section 257.3](#) for the fiscal year beginning July 1, 2023, calculated using taxable valuations for the assessment year beginning January 1, 2022, following application of assessment limitations calculated under [section 441.21, Code 2023](#), as amended by 2023 Iowa Acts, Senate File 181, shall be transferred to the general fund of the state to pay foundation aid under [chapter 257](#) as described in [section 257.16](#) for the fiscal year beginning July 1, 2023.

b. Of the remaining moneys, if any, the difference between the actual net revenue for the general fund of the state for the fiscal year and the adjusted revenue estimate for the fiscal

year, reduced by the amount transferred under paragraph “a”, shall be transferred to the taxpayer relief fund created in [section 8.57E](#).

c. The remaining moneys, if any, shall be transferred to the general fund of the state.

2. The amount to be transferred under subsection 1, paragraph “a”, shall be determined by the department of management on or before July 31, 2023. The department shall notify the legislative services agency of the department’s determination.

Sec. 5. [Section 257.35](#), Code 2023, is amended by adding the following new subsection:

NEW SUBSECTION. 17A. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2023, and ending June 30, 2024, shall be reduced by the department of management by twenty-two million fifty-seven thousand one hundred thirty-one dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

Sec. 6. [Section 441.21, subsection 5](#), paragraph e, subparagraph (1), Code 2023, is amended to read as follows:

(1) For the fiscal year beginning July 1, 2023, there is appropriated from the general fund of the state to the department of revenue the sum of one hundred twenty-two million three hundred fifty thousand dollars to be used for payments under this paragraph calculated as a result of the assessment limitations imposed under paragraph “b”, subparagraph (2), subparagraph division (a), and paragraph “c”, subparagraph (2), subparagraph division (a). For each fiscal year beginning on or after July 1, 2023 2024, there is appropriated from the general fund of the state to the department of revenue the sum of one hundred twenty-five million dollars to be used for payments under this paragraph calculated as a result of the assessment limitations imposed under paragraph “b”, subparagraph (2), subparagraph division (a), and paragraph “c”, subparagraph (2), subparagraph division (a).

Sec. 7. EFFECTIVE DATE. The following, being deemed of immediate importance, takes effect upon enactment:

The section of this division of this Act providing for distributions of moneys in excess of the maximum balance of the Iowa economic emergency fund.

DIVISION II CORRECTIVE PROVISIONS CORRECTIONS ASSOCIATED WITH SENATE FILE 514

Sec. 8. [Section 15.342A, subsection 2](#), Code 2023, as amended by 2023 Iowa Acts, Senate File 514, section 2219, is amended to read as follows:

2. For the fiscal year beginning July 1, 2023, and for each fiscal year thereafter, there is annually appropriated from the workforce development fund account to the apprenticeship training program fund created in [section 15B.3 84D.3](#) three million dollars for the purposes of [chapter 15B 84D](#).

Sec. 9. [Section 15C.1, subsection 3](#), paragraph b, Code 2023, is amended to read as follows:

b. An apprenticeship sponsor receiving financial assistance under [chapter 15B 84D](#) or [section 15C.2 84E.2](#) is ineligible for financial assistance under [this section](#) during the same fiscal year.

Sec. 10. [Section 15C.2, subsection 3](#), paragraph b, Code 2023, is amended to read as follows:

b. An apprenticeship sponsor receiving financial assistance under [chapter 15B 84D](#) or [section 15C.1 84E.1](#) is ineligible to receive financial assistance under [this section](#) during the same fiscal year. An apprenticeship sponsor who trains through a lead apprenticeship sponsor that qualifies for financial assistance under [chapter 15B 84D](#) is ineligible to receive financial assistance under [this section](#).

Sec. 11. [Section 22.7, subsection 31](#), Code 2023, is amended to read as follows:

31. Memoranda, work products, and case files of a mediator and all other confidential communications in the possession of a mediator, as provided in [chapters 86 chapter 10A, subchapter III](#), and [chapter 216](#). Information in these confidential communications is subject to disclosure only as provided in [sections 86.44 10A.332](#) and [216.15B](#), notwithstanding any other contrary provision of [this chapter](#).

Sec. 12. [Section 92.5, subsection 11](#), Code 2023, is amended to read as follows:

11. Other work approved by the rules adopted pursuant to [chapter 17A](#) by the ~~labor commissioner~~ director.

Sec. 13. [Section 100D.3, subsection 1](#), paragraph c, Code 2023, as amended by 2023 Iowa Acts, Senate File 514, section 1519, is amended to read as follows:

c. Has received a passing score on the national inspection, testing, and certification star fire sprinkler mastery exam or on an equivalent exam from a nationally recognized third-party testing agency that is approved by the director, or is certified at level one by the national institute for certification in engineering technologies and as specified by rule by the director, or is certified by another entity approved by the ~~fire marshal~~ director.

Sec. 14. [Section 101.22, subsection 4](#), Code 2023, as amended by 2023 Iowa Acts, Senate File 514, section 1534, is amended to read as follows:

4. The registration notice of the owner or operator to the director under [subsections 1 through 3](#) shall be accompanied by an annual fee of twenty dollars for each tank included in the notice. All moneys collected shall be retained by the department of inspections, appeals, and licensing and are appropriated for the use of the director. The annual renewal fee applies to all owners or operators who file a registration notice with the ~~state fire marshal~~ director pursuant to [subsections 1 through 3](#).

Sec. 15. [Section 101.24, subsection 4](#), paragraph a, Code 2023, as amended by 2023 Iowa Acts, Senate File 514, section 1536, is amended to read as follows:

a. If the owner or operator of any property refuses admittance, or if prior to such refusal the director demonstrates the necessity for a warrant, the ~~state fire marshal~~ director may make application under oath or affirmation to the district court of the county in which the property is located for the issuance of a search warrant.

Sec. 16. [Section 101A.1, subsection 2A](#), paragraph c, subparagraph (4), as enacted by 2023 Iowa Acts, House File 202, section 2, is amended to read as follows:

(4) Any device the ~~state fire marshal~~ director determines is not likely to be used as a weapon or that is an antique.

Sec. 17. [Section 103.14](#), Code 2023, as amended by 2023 Iowa Acts, Senate File 514, section 1562, is amended to read as follows:

103.14 Alarm installations.

A person who is not licensed pursuant to [this chapter](#) may plan, lay out, or install electrical wiring, apparatus, and equipment for components of alarm systems that operate at seventy volt/amps (VA) or less, only if the person is certified to conduct such work pursuant to [chapter 100C](#). Installations of alarm systems that operate at seventy volt/amps (VA) or less are subject to inspection by state inspectors as provided in [section 103.31](#), except that reports of such inspections, if the installation being inspected was performed by a person certified pursuant to [chapter 100C](#), shall be submitted to the director and any action taken on a report of an inspection of an installation performed by a person certified pursuant to [chapter 100C](#) shall be taken by or at the direction of the ~~state fire marshal~~ director, unless the installation has been found to exceed the authority granted to the certificate holder pursuant to [chapter 100C](#) and therefore to be in violation of [this chapter](#).

Sec. 18. [Section 135.11A, subsection 1](#), Code 2023, as amended by 2023 Iowa Acts, Senate File 514, section 1580, is amended to read as follows:

1. Each board under ~~chapters~~ [chapter 100C, 103, 103A, 105, or 147](#) that ~~are~~ is under the administrative authority of the department, except the board of nursing, board of medicine, dental board, and board of pharmacy, shall receive administrative and clerical support from the department and may not employ its own support staff for administrative and clerical duties. The executive director of the board of nursing, board of medicine, dental board, and board of pharmacy shall be appointed pursuant to [section 135.11B](#).

Sec. 19. [Section 135B.34, subsection 7](#), Code 2023, as amended by 2023 Iowa Acts, Senate File 514, section 166, is amended to read as follows:

7. For the purposes of [this section](#), ~~“comprehensive preliminary background check” and “record check evaluation system” mean:~~

a. ~~“Comprehensive preliminary background check” means the same as defined in~~ [section 135C.1](#).

b. ~~“Record check evaluation system” means the same as defined in~~ [section 135C.1](#).

Sec. 20. [Section 135R.1, subsection 2](#), as enacted by 2023 Iowa Acts, Senate File 75, section 22, is amended to read as follows:

2. ~~“Department” means the department of inspections, and appeals, and licensing.~~

Sec. 21. [Section 156.1A](#), Code 2023, as amended by 2023 Iowa Acts, Senate File 514, section 1632, is amended to read as follows:

156.1A Provision of services.

Nothing contained in [this chapter](#) shall be construed as prohibiting the operation of any funeral home, funeral establishment, or cremation establishment by any person, heir, fiduciary, firm, cooperative burial association, or corporation. However, each such person, firm, cooperative burial association, or corporation shall ensure that all mortuary science services are provided by a funeral director, and shall keep the Iowa department of inspections, appeals, and licensing advised of the name of the funeral director.

Sec. 22. [Section 249K.2, subsection 6](#), Code 2023, as amended by 2023 Iowa Acts, Senate File 514, section 820, is amended to read as follows:

5. ~~“New construction” means the construction of a new nursing facility which does not replace an existing licensed and certified facility and requires the provider to obtain a certificate of need pursuant to~~ [chapter 135 10A, subchapter VI VII](#).

Sec. 23. [Section 252D.16, subsection 1](#), as enacted by 2023 Iowa Acts, Senate File 514, section 882, is amended to read as follows:

1. ~~“Child support services” means the same as child supported~~ support services created in [section 252B.2](#).

Sec. 24. [Section 252E.1, subsection 5](#), as enacted by 2023 Iowa Acts, Senate File 514, section 895, is amended to read as follows:

5. ~~“Child support services” means child support services created in~~ [section 252B.1 252B.2](#).

Sec. 25. [Section 256.11, subsection 5A](#), paragraph a, if enacted by 2023 Iowa Acts, Senate File 391, section 14, is amended to read as follows:

a. The board of directors of a school district or the authorities in charge of an accredited nonpublic school may authorize a teacher who is appropriately licensed by the board of educational examiners ~~under chapter 272~~ to teach two or more sequential units of one subject area in the same classroom at the same time in grades nine through twelve. The board of directors of a school district or the authorities in charge of an accredited nonpublic school shall award high school credit to a student upon the student's successful completion of the course. The teacher must meet the minimum certification requirements of the national organization that administers the advanced placement program if one of the units being offered pursuant to this paragraph is an advanced placement course.

Sec. 26. [Section 261G.4, subsection 5](#), Code 2023, as amended by 2023 Iowa Acts, Senate File 514, section 2640, is amended to read as follows:

5. Students attending a participating nonresident institution are ineligible for state student financial aid programs established under [chapter 256, subchapter VII, part 4](#).

Sec. 27. [Section 303.3B, subsection 3](#), Code 2023, as amended by 2023 Iowa Acts, Senate File 514, section 2087, is amended to read as follows:

3. The authority shall encourage development projects and activities located in certified cultural and entertainment districts through incentives under cultural grant programs pursuant to [section 303.3 15.436, subchapter II, part 30](#), and any other applicable grant programs.

Sec. 28. [Section 546.10, subsection 3](#), paragraph a, Code 2023, as amended by 2023 Iowa Acts, Senate File 514, section 1704, is amended to read as follows:

a. The licensing and regulation examining boards included in the ~~bureau~~ department pursuant to [subsection 1](#) retain the powers granted them pursuant to the chapters in which they are created, except for budgetary and personnel matters which shall be handled by the director. Each licensing board shall adopt rules pursuant to [chapter 17A](#). Decisions by a licensing board are final agency actions for purposes of [chapter 17A](#).

Sec. 29. [Section 727.2, subsection 3](#), paragraph d, as enacted by 2023 Iowa Acts, House File 202, section 7, is amended to read as follows:

d. Any retailer or community group offering for sale at retail any consumer fireworks shall do so in accordance with the national fire protection association standard 1124, published in the code for the manufacture, transportation, storage, and retail sales of fireworks and pyrotechnic articles, 2006 edition, and shall not be subject to any other standards or requirements unless provided for by the ~~state fire marshal~~ director of the department of inspections, appeals, and licensing under [section 100.19 10A.519](#).

Sec. 30. [2015 Iowa Acts, chapter 138, section 97](#), as amended by 2023 Iowa Acts, Senate File 514, section 1710, is amended to read as follows:

SEC. 97. RESIDENTIAL SWIMMING POOLS — PRIVATE SWIMMING LESSONS. Notwithstanding any provision of law to the contrary, the department of inspections, appeals, and licensing shall require that a residential swimming pool used for private swimming lessons for up to two hundred seven hours in a calendar month, or the number of hours prescribed by local ordinance applicable to such use of a residential swimming pool, whichever is greater, be regulated as a residential swimming pool used for commercial purposes pursuant to [chapter 135I](#). The department of ~~public health~~ inspections, appeals, and licensing may adopt rules to implement this section.

Sec. 31. [2021 Iowa Acts, chapter 45, section 5](#), is amended to read as follows:

SEC. 5. APPLICABILITY. This Act applies to financial assistance provided ~~by the economic development authority~~ to apprenticeship sponsors and lead apprenticeship sponsors that apply for financial assistance on or after July 1, 2021.

Sec. 32. 2023 Iowa Acts, Senate File 514, section 2605, is amended to read as follows:

SEC. 2605. APPLICABILITY. This portion of this division of this Act applies to individuals appointed as the executive director of the board of educational examiners before, on, or after the effective date of this division of this Act.

Sec. 33. 2023 Iowa Acts, Senate File 514, section 2643, is amended to read as follows:

SEC. 2643. APPLICABILITY. This portion of this division of this Act applies to individuals appointed as the executive director of the college student aid commission before, on, or after the effective date of this division of this Act.

MISCELLANEOUS CORRECTIONS

Sec. 34. [Section 12K.1, subsection 4](#), paragraph j, if enacted by 2023 Iowa Acts, Senate File 418, section 4, is amended by striking the paragraph.

Sec. 35. [Section 12K.1](#), if enacted by 2023 Iowa Acts, Senate File 418, section 4, is amended by adding the following new subsection:

NEW SUBSECTION. 5. “*Public fund*” means the treasurer of state, the state board of regents, the public safety peace officers’ retirement system created in [chapter 97A](#), the Iowa public employees’ retirement system created in [chapter 97B](#), the statewide fire and police retirement system created in [chapter 411](#), or the judicial retirement system created in [chapter 602](#).

Sec. 36. 2023 Iowa Acts, Senate File 418, if enacted, is amended by adding the following new section:

NEW SECTION. SEC. 9A. [Section 35A.13, subsection 4](#), paragraph a, Code 2023, is amended to read as follows:

a. Notwithstanding [subsection 5](#), moneys in the fund, except so much of the fund as may be necessary to be kept on hand for the making of disbursements under [this section](#), shall be invested by the treasurer of state, in consultation with the commission and the public retirement systems committee established by [section 97D.4](#), in any investments authorized for the Iowa public employees’ retirement system in [section 97B.7A](#), including common stock, and subject to the requirements of [chapters 12F, 12H, and 12J, and 12K](#), and the earnings therefrom shall be credited to the fund. The treasurer of state may execute contracts and agreements with investment advisors, consultants, and investment management and benefit consultant firms in the administration of investments of moneys in the fund.

Sec. 37. [Section 135B.1, subsection 5](#), as enacted by 2023 Iowa Acts, Senate File 75, section 1, is amended to read as follows:

5. “*Rural emergency hospital*” means a facility that provides rural emergency hospital services in the facility twenty-four hours per day, seven days per week; does not provide any acute care inpatient services with the exception of any distinct part of the facility licensed as a skilled nursing facility providing posthospital extended care services; and meets the criteria specified in [section ~~135B.1A~~ 135B.3A](#) and the federal Consolidated Appropriations Act, Pub. L. No. 116-260, §125.

Sec. 38. [Section 135R.3, subsections 1 and 2](#), as enacted by 2023 Iowa Acts, Senate File 75, section 24, are amended to read as follows:

1. An applicant for an ambulatory surgical center license shall submit an application to the department. Applications shall be upon such forms and shall include such information as the department may reasonably require, which may include affirmative evidence of the ability to comply with reasonable rules and standards prescribed under [this chapter](#) but which shall not exceed the requirements for applications required by Medicare or an accrediting organization with deeming authority authorized by the centers for Medicare and Medicaid services of the United States department of health and human services.

2. An applicant for an initial ambulatory surgical center license that has been certified by Medicare or an accrediting organization with deeming authority authorized by the centers for Medicare and Medicaid services of the United States department of health and human services shall be granted an initial license.

Sec. 39. [Section 147.164, subsection 2](#), paragraph a, unnumbered paragraph 1, as enacted by 2023 Iowa Acts, Senate File 538, section 1, is amended to read as follows:

Except as otherwise provided in paragraph “c”, a health care professional shall not knowingly engage in or cause any of the following practices to be performed on a minor if the practice is performed for the purpose of attempting to alter the appearance of, or affirm the minor’s perception of, the minor’s gender or sex, if that appearance or perception is inconsistent with the minor’s sex.:

Sec. 40. [Section 476.1A, subsection 6](#), paragraph c, if enacted by 2023 Iowa Acts, House File 599, section 1, is amended to read as follows:

c. “*Safety standards*” means applicable regulations promulgated by the United States occupational safety and health administration and by Iowa occupational safety and health by the administration the labor commissioner under [chapter 88](#). Safety standards for electric utilities subject to [this section](#) also include outage notifications, safety standards contained in the national electric safety code, as published by the institute of electrical and electronic engineers, inc., and electric safety standards approved by the American national standards institute.

Sec. 41. [Section 521J.7, subsection 1](#), paragraph b, subparagraph (1), if enacted by 2023 Iowa Acts, Senate File 549, section 10, is amended to read as follows:

(1) Subject to subparagraph (2), the ~~captive’s company~~ captive company’s report shall be filed no later than ninety calendar days after the close of the company’s fiscal year.

Sec. 42. [Section 521J.19, subsection 3](#), unnumbered paragraph 1, if enacted by 2023 Iowa Acts, Senate File 549, section 22, is amended to read as follows:

Notwithstanding [chapter 507C](#) or any other provision to of law to the contrary, in the conservation, rehabilitation, or liquidation of a protected cell captive company, all of the following requirements shall be met:

Sec. 43. [Section 533C.305, subsection 4](#), if enacted by 2023 Iowa Acts, House File 675, section 14, is amended to read as follows:

4. If an applicant avails itself or is otherwise subject to a multistate licensing process, the superintendent is authorized and encouraged to accept the investigation results of a lead investigative state for the purpose of [subsection 3](#), if the lead investigative state has sufficient staffing, expertise, and minimum standards. Additionally, if this state is a lead investigative state, the superintendent is authorized and encouraged to investigate the applicant pursuant to [subsection 3](#), and the time frames established by agreement through the multistate licensing process, provided, that in no case shall such time frame be noncompliant with the application period in [subsection 1, paragraph “a”](#).

Sec. 44. [Section 533C.804, subsection 1](#), paragraph m, subparagraph (1), subparagraph division (d), if enacted by 2023 Iowa Acts, House File 675, section 35, is amended to read as follows:

(d) Contain an issue date and expiration date, and expressly provide for automatic extension, without written amendment, for an additional period of one year from the present or each future expiration date, unless the issuer of the letter of credit notifies the superintendent in writing by certified or registered mail or courier mail or other receipted means, at least sixty days prior to any expiration date, that the irrevocable letter of credit shall not be extended. In the event of any notice of expiration or nonextension of a letter of credit issued under this subparagraph division, the licensee shall be required to demonstrate to the satisfaction of the superintendent, fifteen days prior to expiration, that the licensee maintains and will maintain permissible investments in accordance with [section 533C.803, subsection 1](#), upon the expiration of the letter of credit. If the licensee is not able to do so, the superintendent may draw on the letter of credit in an amount up to the amount necessary to meet the licensee’s requirements to maintain permissible investments in accordance with [section 533C.803, subsection 1](#). Any such draw shall be offset against the licensee’s outstanding money transmission obligations. The drawn funds shall be held in trust by the superintendent or the superintendent’s designated agent, to the extent authorized by law, as agent for the benefit of the purchasers and holders of the licensee’s outstanding money transmission obligations.

Sec. 45. [Section 544C.1, subsection 1A](#), if enacted by 2023 Iowa Acts, Senate File 135, section 1, is amended to read as follows:

NEW SUBSECTION. 1A. “*Building equipment*” means any mechanical, plumbing, electrical, or structural components, including a conveyance, designed for or located in a building or structure.

Sec. 46. CODE EDITOR DIRECTIVE. If House File 421 and House File 652 are both enacted by the first session of the 90th General Assembly, the Code editor shall change the term “barber school or school of cosmetology arts and sciences” to “school of barbering and cosmetology arts and sciences” wherever the term is enacted in House File 421.

Sec. 47. EFFECTIVE DATE. The following, being deemed of immediate importance, take effect upon enactment:

1. The section of this division of this Act amending [section 135B.1, subsection 5](#).
2. The section of this division of this Act amending [section 147.164, subsection 2](#), paragraph “a”, unnumbered paragraph 1.

Sec. 48. RETROACTIVE APPLICABILITY. The following applies retroactively to March 28, 2023:

The section of this division of this Act amending [section 135B.1, subsection 5](#).

Sec. 49. APPLICABILITY. The following applies one hundred eighty days after March 22, 2023:

The section of this division of this Act amending [section 147.164, subsection 2](#), paragraph “a”, unnumbered paragraph 1.

Approved June 1, 2023